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State bond sale draws near-record bidder interest

OLYMPIA, Wash. — Washington state attracted a healthy 15 bidders for one of three bond issues Tuesday in competitive offerings at the Office of the State Treasurer.

The number of bidders for the Series 2007T issue approached the record of 17 bidders for a single issue set in August 2005, State Treasurer Michael J. Murphy said. Murphy is chair of the State Finance Committee, which met following the bidding to award the sales.

“Once again, we showed how important it is to offer these bonds competitively,” Murphy said. “We have a strong product to sell, and the marketplace stepped up today and proved it.”

UBS Securities LLC offered the low true interest cost (TIC) bid of 5.6188476 percent among the field of 15 on the Series 2007T issue of \$71.9 million in taxable bonds. Proceeds of the sale will be used to pay for affordable housing projects and for the Washington State University Tri-Cities Bioproducts Facility.

JP Morgan Securities was the winning bidder on \$333.17 million of Series 2007A bonds with a TIC bid of 4.7243821 percent. Series 2007A bonds are various purpose general obligation bonds, the proceeds of which will fund state capital projects and buildings and facilities for higher education. Also bidding were Morgan Stanley & Co. (4.7304766 percent), Lehman Brothers (4.7347100), Merrill Lynch & Co. (4.7351433) and Goldman, Sachs & Co (4.7385808).

JP Morgan was also the winner for \$176.06 million in motor vehicle fuel tax bonds (Series 2007B) with a TIC bid of 4.6926874 percent. Proceeds of the bonds support transportation construction projects and improvement of state and local highways. Also bidding were Merrill Lynch (4.7118570 percent) and Lehman Brothers (4.7131479).

Also bidding on Series 2007T were Morgan, Keegan & Co. (5.6357047 percent), Piper Jaffray (5.6521439), Raymond James & Associates (5.6561221), Bear Stearns (5.6567482), Banc of America Securities (5.6623874), RBC Capital Markets (5.6629393), BB&T Capital Markets (5.6630319), Lehman Brothers (5.6642881), Griffin, Kubik, Stephens & Thompson Inc. (5.6707078), Citigroup Global Markets (5.6769614), Merrill Lynch (5.6779328), Morgan Stanley & Co. (5.6805017), Stifel, Nicolaus & Co (5.6966878) and First Albany Capital Inc. (5.7112710).

Chairman Murphy is joined on the State Finance Committee by Gov. Christine Gregoire and Lt. Governor Brad Owen.

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